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**Statement of Chairman Joel Hefley
Subcommittee on Military Installations and Facilities**

**Subcommittee Hearing on the FY2001 Budget Request
for the Military Construction and Military Family Housing Programs
of the Department of Defense**

This morning, the Subcommittee on Military Installations and Facilities opens its hearings on the President's request for funding for the military construction and military family housing programs of the Department of Defense for fiscal year 2001. We will take testimony today from senior officials from the Office of the Secretary of Defense and the Department of the Army and conclude our initial overview of the budget request next Thursday by focusing on the MILCON programs of the Department of the Navy and the Department of the Air Force.

In one very important respect, the budget request is a marked improvement over the submission made by the Department one year ago. The Department of Defense has heeded the overwhelming rejection by the Congress of outlay rate-based incremental funding. So, I guess there is some reason to celebrate. We will not begin the budget year over \$3.1 billion in the hole. Structurally, with a couple of exceptions, most notably the elimination of contingency allowances, this is largely a "business as usual" budget. Unfortunately, it is also a continuation of the broad trend that began with the fiscal year 1996 MILCON program. The Department of Defense is once more requesting fewer total dollars for these key infrastructure accounts than was enacted by the Congress the year before. In spite of the President's planned increase of over \$11 billion – or 4 percent – in budget authority for the Department of Defense for the coming fiscal year, the MILCON topline continues to erode.

The Department's budget request of \$8.03 billion for the MILCON program is 4 percent below current spending levels and 5.5 percent below the levels authorized for appropriations in the current fiscal year. Beyond the continued neglect of appropriate resourcing of the construction accounts in this budget request, the near-term does not look much better. The military construction program in this budget request, in total, amounts to about \$4.6 billion. The current Future Years Defense Program would see the military construction accounts fall to \$3.8 billion – a 17 percent reduction – through fiscal year 2003 before the promise of some relief. Of course, most of the outyear increase is due to the planning wedges assumed to support two additional rounds of unauthorized base closure and realignments.

The military departments have been able to improve facilities, enhance quality of life, and better maintain training and readiness over the past few years through the ability of the Congress to increase the defense topline and increase funding for MILCON. The Department of Defense must begin to take on more of the responsibility to ensure that current mission facilities do not continue to degrade. We cannot continue a persistent pattern of departmental underfunding on the assumption that Congress will always ride to the rescue. It is a game and one that, in my judgment, entails a high level of risk.